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DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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August 9, 1991

TO: Board of Oil, Gas and Mining

THRU: Lowell Braxton, Associate Director, Mining *LOB*

THRU: Wayne Hedberg, Minerals Permit Supervisor *DWA*

FROM: Holland Shepherd, Senior Reclamation Specialist *HS*

RE: Request for Board Concurrence, Form and Amount of Surety, Happy Jack Mine, M/037/024, San Juan County, Utah

Atlas' Happy Jack mine, located just south of Hite Crossing, has been sold to a private individual, Mr. William Petty. Mr. Petty has purchased the property from Atlas for the purpose of eventually establishing a residence on the site.

The site was reclaimed by Mr. Petty last April of 1991. I inspected the site during the reclamation process in April. Along with meeting the requirements specified in the original MRP, Mr. Petty reclaimed pre-law portions of the site consisting of an area that had been used as a dump for timber and metal. Mr. Petty will reseed the site this fall as per the Division's recommendation.

The surety amount (\$2,000) is based on the cost for reseeding the site. The surety has been escalated for three years into the future, the time it will take to determine revegetation success at the site.

An unsigned letter, developed for sureties involving certificates of deposit, has been attached to this memo. It was not ready at the time this memo was prepared. A signed version of the letter will be made available prior to the August 22nd Board Briefing.

jb
M037024.1

DOGM MINERALS PROGRAM

Checklist for Board Approval of FORM AND AMOUNT OF SURETY

Mine Name Happy Jack

File No. M/037/024

Item	Provided		Remarks
	Yes	No	
Executive Summary	X		
Location Map	X		
Reclamation Bond Estimate	X		
Signed Reclamation Contract	X		
Signed Power of Attorney/ Affidavit of Qualification			
Bond/Reclamation Surety	X		Certificate of Deposit
Surety Sign off (Other State/Federal Agencies)		x	Non-federal

checklist

EXECUTIVE SUMMARY

Prepared August 7, 1991

Mine Name: <u>Happy Jack</u>	I.D. No: <u>M/037/024</u>
Operator: <u>William D. Petty</u>	County: <u>San Juan</u>
<u>Landic Roppongi Building</u>	New/Existing: <u>Existing</u>
<u>4-11-13 Roppongi</u>	Mineral Ownership: <u>Private</u>
<u>Tokyo, Japan 106</u>	Surface Ownership: <u>Private</u>
Telephone: <u>(81-3) 3478-2061</u>	Lease No.(s): <u>N/A</u>
Contact Person: <u>William D. Petty</u>	Permit Term: <u>N/A</u>

Life of Mine: Reclaimed

Legal Description: Section 8, Range 15 East, Township 35 South

Mineral(s) to be Mined: None

Mining Methods: N/A

Acres to be Disturbed: 9

Present Land Use: Mining

Postmining Land Use: Residential, wildlife habitat

Variances from Reclamation Standards (Rule R613) Granted: None

Soils and Geology:

Soil Description: Poorly developed from sandstones, mudstones and shale, nutrient deficient.

pH: Unknown

Special Handling Problems: None

Geology Description: White Canyon area, site located in Chinle and Moenkopi formations

Hydrology:

Ground Water Description: No evaluation ever made, presumed to be at depth.

Water Monitoring Plan: None

Ecology:

Vegetation Type(s); Dominant Species: Indian ricegrass, Shadscale, Juniper, Pinyon,
Rabbitbrush, Matchweed, Buckwheat

Percent Surrounding Vegetative Cover: 5% - 10%

Wildlife Concerns: None

Surface Facilities: None

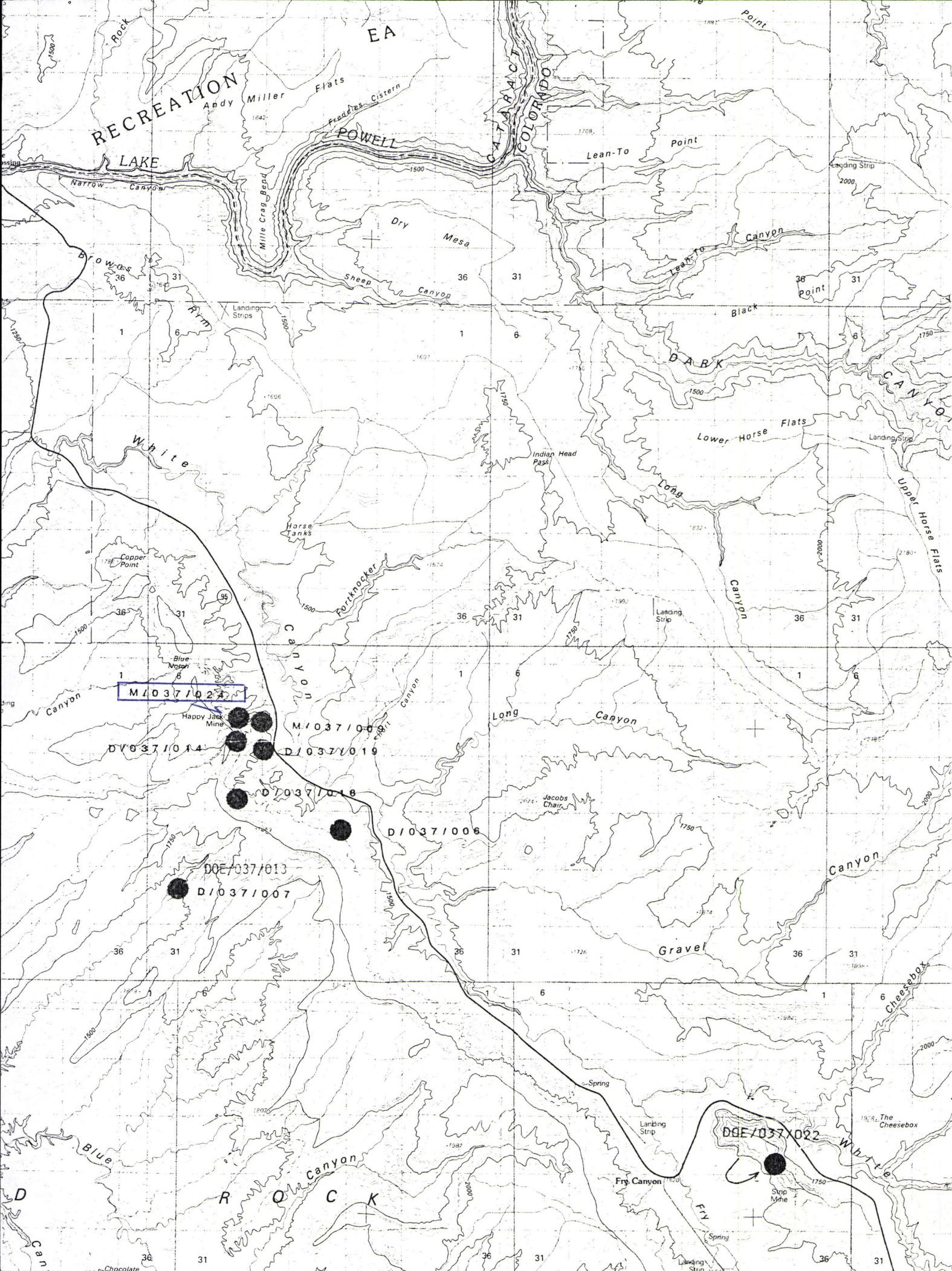
Mining and Reclamation Plan Summary: No more mining planned. The site is under
reclamation. Will eventually be used for residential purposes.

Surety:

Amount: \$2,000

Form: Certificate of Deposit

Renewable Term: 6 months



SURETY ESTIMATE UPDATE

Happy Jack Mine

M/037/024

Prepared by Utah Division of Oil, Gas & Mining
June 12, 1991

DESCRIPTION:

1. This estimate covers only revegetation costs for the site.
2. All other reclamation work was completed 4/91.
3. This surety covers a three year time frame.

RECLAMATION DETAILS:

Seed Mix	15 lbs/ac	\$180/ac
Seed Mix Hand Broadcast		\$15/ac
Total Acres = 9		
Subtotal	9 ac X \$195	\$1,755
+ 10% Contingency		\$1,931

CALCULATIONS

	YR	ESCAL FACTOR	BOND AMOUNT
$F = P(1 + i)^{**n}$			
F = Future Sum	1991	0.0145	\$1,931
P = Present Sum	1992	0.0145	\$1,959
i = Escalation Factor	1993	0.0145	\$1,987
n = number of periods	1994	0.0145	\$2,016

Three Yr Average = 1.45%
Used to Project 5 Yrs

Updated Surety Amount Rounded (1994 \$) \$2,000